STAND. COM. REP. NO. 2298

Honolulu, Hawaii

FEB 1 2 2014

RE: S.B. No. 2664

S.D. 1

Honorable Donna Mercado Kim President of the Senate Twenty-Seventh State Legislature Regular Session of 2014 State of Hawaii

Madam:

Your Committees on Water and Land and Energy and Environment, to which was referred S.B. No. 2664 entitled:

"A BILL FOR AN ACT RELATING TO NATURAL RESOURCES,"

beg leave to report as follows:

The purpose and intent of this measure is to promote renewable energy in Hawaii by:

- (1) Providing that all penalties, fees, and costs established and collected by the Department of Land and Natural Resources shall be deposited in the special land and development fund;
- (2) Including geothermal resources within the definition of a renewable energy producer; and
- (3) Clarifying the permitting procedures for regulators and renewable energy developers considering geothermal development.

Your Committees received testimony in support of this measure from the Department of Land and Natural Resources; Department of Business, Economic Development, and Tourism; Indigenous Consultants, LLC; and Waimanalo Hawaiian Homes Association.

Existing statutes do not classify geothermal resources as part of the definition of "renewable energy producer". Your Committees find that adding this designation would provide greater

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equity between geothermal resources and other renewable energy sources such as wind, solar, hydropower, or biomass. Existing statutes pertaining to the regulation and management of mineral resources need updates to provide clarity and reduce ambiguities. The identification and elimination of conflicts in statutory language and procedures would reduce barriers and eliminate ambiguities that could pose potential delays to geothermal exploration and development and facilitate the disposition and regulation of the use and management of mineral resources. Such clarification and updates will assist the Department of Land and Natural Resources in working toward meeting goals of the Hawaii Clean Energy Initiative.

Your Committees have amended this measure by:

- (1) Deleting the amendment to the definition of "geothermal resources" on the recommendation of Indigenous Consultants, LLC, which stated in testimony that the existing definition provides for the use of steam or direct agricultural uses such as hot house and aquaponic applications that do not generate electricity or draw out geothermal water or brine; and
- Making technical, nonsubstantive amendments for the (2) purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Water and Land and Energy and Environment that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2664, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2664, S.D. 1, and be referred to the Committee on Ways and Means.

MIKE GABBARD, Chair

Respectfully submitted on behalf of the members of the Committees on Water and Land and Energy and Environment,

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The Senate Twenty-Seventh Legislature State of Hawaiʻi

Record of Votes Committee on Water and Land WTL

Bill / Resolution No.:* Committee Referral: Date: WTL/ENE, WAM 2/6/14							
The committee is reconsidering its previous decision on this measure.							
If so, then the previous decision was to:							
The Recommendation is:							
Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313							
Members	Aye	Aye (WR)	Nay	Excused			
SOLOMON, Malama (C)							
GALUTERIA, Brickwood (VC)							
DELA CRUZ, Donovan M.							
IHARA, Jr., Les							
RUDERMAN, Russell E.							
SHIMABUKURO, Maile S.L.	V						
TANIGUCHI, Brian							
THIELEN, Laura H.	/						
SLOM, Sam							
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TOTAL	6	1 1		2			
Recommendation: Adopted Not Adopted							
Chair's or Designee's Signature:							
No.							
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy							

^{*}Only one measure per Record of Votes

The Senate Twenty-Seventh Legislature State of Hawai'i

Record of Votes Committee on Energy and Environment ENE

Bill / Resolution No.:* SB 2664	Committee Referral: Date: 2/6/14						
The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to:							
The Recommendation is:							
Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313							
Members		Aye	Aye (WR)	Nay	Excused		
GABBARD, Mike (C)		X					
RUDERMAN, Russell E. (VC)		•	X				
CHUN OAKLAND, Suzanne		. /			X		
IHARA, Jr., Les		> P					
SLOM, Sam		200			X		
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TOTAL		2_	1		2		
Recommendation: Adopted Not Adopted							
Chair's or Designee's Signature							
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